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MARKETING MILK AND CREAM COOPERATIVELY

A preliminary report entitled "Cooperative Marketing of Milk and Cream, 1924." has been issued by the Division of Agricultural Cooperation, U. S. Department of Agriculture. The report is a mimeographed circular of 21 pages and contains data from 128 associations engaged in handling milk or cream. The associations have been grouped tentatively as price-bargaining organizations, enterprises engaged mainly in wholesale distribution, and enterprises engaged mainly in the retail distribution of milk. It is apparent from the assembled information that a few large organizations have a big percentage of the total membership and transact a large percentage of the business.

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BIG BUSINESS IN CREAMERY SUPPLIES

In less than three years the supply department of the Minnesota Cooperative Creameries Association, Inc., St. Paul, has made profits exceeding \$275,000, according to a recent statement by the manager. The profits for the eight months ending with August, 1923, were \$40,000; for the year ending September 1, 1924, they were \$100,440; and for the year ending September 1, 1925, they were \$135,048. The greater part of these profits have been, or will be, returned to the member creameries in proportion to the profits made on their many purchases.

Net sales for the year ending September 1, 1924, were \$1,114,768, and for the past year \$1,470,360, an increase of \$324,092. The increase in profits for the last year over the preceding year was \$35,507. More than 20,000 sales were made during the past year.

Of the 449 creameries which are members of the association, 148 have qualified as Land O' Lakes creameries and have been awarded metal signs reading "This is a Land O' Lakes Creamery." In order to qualify for this honor it is necessary that more than one-half of the butter made shall be 93 score sweet cream butter. Besides the 148 creameries which meet the requirements there are 100 other creameries which make some Land O' Lakes butter each month but not enough to be classified as Land O' Lakes creameries.

CHEESE PRODUCERS TO HEAR ABOUT NEW ZEALAND

Members of the Wisconsin Cheese Producers' Federation, Plymouth, Wis., are to have opportunities to hear all about cheese making and marketing as practiced in New Zealand and observed by Professor Theodore Macklin in six weeks spent in that far away country. Professor Macklin is to be the principal speaker at the annual branch warehouse meetings beginning at New Richmond on October 26. The other speakers will be officers and directors of the federation. The meetings have been purposely scheduled for late in October in order that every member may have opportunity to give a full day to the meetings. Arrangements have been made to serve lunch at most of the meetings.

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VERMONT CREAMERY HAS OPERATED TWENTY-EIGHT YEARS

An organization which has been sending its annual reports regularly to the Department of Agriculture for some years is the North Montpelier Cooperative Creamery Company, North Montpelier, Vt. Organized in 1896, this company has an authorized capital stock of \$5,000 divided into 500 ten-dollar shares. Any person may become a stockholder by purchasing one or more shares of stock. Six per cent dividends are paid on stock and other profits are prorated. Statistical history of the company since 1914 is indicated in the following figures selected from the annual reports:

Year	Butterfat received	Sales	Purchases	^{/a} Average price paid for butterfat per pound	Cost per pound for butter making
	(Pounds)			(Cents)	(Cents)
1914	389,643	\$139,677	\$130,424	34.00	1.78
1915	370,740	133,430	125,051	34.00	1.30
1916	366,979	150,857	141,634	39.25	1.90
1917	308,941	160,874	150,830	49.40	2.14
1918	302,058	187,178	175,783	58.20	2.66
1919	342,931	255,502	241,423	70.40	2.75
1920	402,998	303,956	287,937	71.20	3.00
1921	393,473	213,243	198,627	50.50	3.20
1922	403,827	205,832	188,560	47.94	----
1923	331,743	198,084	182,757	56.25	----
1924	351,742	192,543	176,370	50.59	----

^{/a} Nearly the entire amount went to patrons for butterfat.

WHEAT SALES AGENCY BROADCASTS DAILY

Each day at 1:30 P. M., the management of the Canadian Cooperative Wheat Producers, Ltd., broadcasts to its members from Winnipeg, Man. From five to ten minutes are used to discuss such matters as the management feels are of the greatest importance. The Canadian Cooperative Wheat Producers is the sales agency for the three provincial wheat pools.

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SOUTH DAKOTA WHEAT GROWERS ARE PAID

Checks for the final payment of the wheat in the summer pool of the South Dakota Wheat Growers' Association, Aberdeen, S. D., were sent out in October. According to a statement issued by the management of the association, the 258,635 bushels of wheat delivered between February 10 and August 1, 1925, were included in the pool. It is stated that the prices on which settlements were made ranged from \$1.313 for No. 1 Acme to \$1.473 for No. 1, Hard Spring, net Minneapolis. The prices paid the various members of the association were under the Minneapolis prices by the amount of the freight from shipping point to Minneapolis.

Direct and operating charges amounted to 12.6 cents a bushel. The direct charges were made up of the following items:

	Cents
Terminal charges	0.27
Warehouse handling at interior elevators....	3.50
Warehouse storage at interior elevators.....	2.74
Interest40
Insurance and elevator bonds.....	.40
Total	7.40

The items making up operating expense are given as:

	Cents
Administrative expense	1.97
Minneapolis and Duluth sales expense	1.75
Reserve of 1% for contingencies	1.48
Total	5.20

It is pointed out by the management that the 1.48 cents for reserve is an investment rather than an expense, as the reserve is used as working capital.

The summer pool of the preceding year (1924) consisted of but 45,000 bushels.

Detailed figures for the first pool handled by the association are given in Agricultural Cooperation for August 11, 1924, p. 204. Direct charges for this pool amounted to 9.7 cents a bushel and association charges to 4.1 cents, making a total of 13.1 cents.

The present membership of this association is approximately 4,500.

MANITOBA GRAIN POOL ESTABLISHES AN EDUCATIONAL DEPARTMENT

A department of education and publicity has been organized for the Manitoba Cooperative Wheat Producers, Winnipeg. This department is to be sustained by a deduction of one-twentieth of a cent a bushel.

Under date of October 21 it was reported in the association's official organ that the membership of the association was 15,349. Of this number, 7,504 members had signed both wheat and coarse grain contracts. The total number of wheat members was 13,749 and of coarse grain members, 9,104.

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MILLION BUSHEL ELEVATOR FOR COLORADO AND KANSAS ASSOCIATIONS

A million bushel elevator has been constructed at Kansas City by one of the western railway lines for the use of the sales agency which is doing the marketing for the Colorado Wheat Growers' Association, Denver, and Kansas Cooperative Wheat Marketing Association, Wichita, Kans. The rental has been contracted for at approximately six per cent of the value. The equipment of the new structure is complete, including washers for preparing smutty grain for milling. This machinery alone is expected to result in large saving. It is expected that the elevator will handle 5,000,000 bushels annually.

With the completion of this elevator, announcement was made that another of the same capacity would be erected by the same railway at Enid, Okla., for the use of the Southwest Wheat Growers' Association. This elevator will serve wheat growers in Oklahoma, Texas, and Arkansas. It will also be made available for public storage of all kinds of grain.

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BIG SALES BY CANADIAN MARKETING ASSOCIATION

The Canadian Cooperative Wheat Producers, Ltd., Winnipeg, sales agency for the three provincial wheat pools, handled over 31,000,000 bushels of wheat during the 1924-25 marketing season.

The number of bushels sold for each pool was as follows: Saskatchewan, 50,093,753; Alberta, 22,879,805; Manitoba, 8,426,324; total, 81,399,882.

Three terminal elevators at the head of the lakes are being operated by the sales agency in the handling of the 1925-26 wheat. An elevator with a storage capacity of 1,500,000 bushels at Port Arthur has been purchased and two elevators at Port William have been leased. These have combined storage for about one million bushels. Over 50,000 bushels of grain an hour can be handled by the three elevators. The membership of the three provincial associations is not nearly 120,000. The Manitoba Cooperative Wheat Producers, Ltd., is credited with 15,349 members; the Alberta Cooperative Wheat Producers, Ltd., with 33,737; and the Saskatchewan Cooperative Wheat Producers' Ltd., with 69,992. (See Agricultural Cooperation for September 23, 1925, p. 406.)

SASKATCHEWAN'S FIRST WHEAT POOL

Forty-seven per cent of the wheat grown in the Province of Saskatchewan in 1924 was marketed through the Saskatchewan Cooperative Wheat Producers, Limited, according to the official report of the board of directors. This report which was presented at the annual meeting of the association held at Regina on October 21, gave the delegates a comprehensive survey of the operations of the first year.

The first wheat delivered was on September 5, 1924 and the quantity delivered during the 1924-25 season was 50,202,599 bushels. Net proceeds to growers, basis Fort William, amount to \$76,701,421. The summary of operations prepared as of July 31, 1925, by chartered accountants is as follows:

Initial payment.....	\$46,877,869.89
First interim payment	16,619,513.25
Second interim payment	9,403,774.60
Available for distribution	<u>4,120,035.29</u>
Total	\$77,021,243.03
Less expenses	<u>319,821.07</u>
Net proceeds to growers.....	76,701,421.96

From the sum available for final payment a deduction of 2 cents per bushel, amounting to \$958,238, has been made for acquiring or constructing country elevators. Eighty-six pool elevators have been acquired, on a cash basis, and are in operation, while plans are under way for the construction of four more elevators on new branch lines in the southern part of the province. Growers are to be credited with the amounts of such deductions and will receive interest on the same at the rate of 6 per cent. The sum of \$756,462 was transferred to the commercial reserve fund, for use as working capital.

A summary of the expenses for the year shows the following figures:

Management expense.....	\$98,745.33
Regina office, salaries and expense	195,050.20
Winnipeg office, salaries and expense	5,396.27
Adjustment of pool and market spreads	
with elevators	141,947.04
Sundry	6,804.35
Preliminary expenses, net, wheat pool	28,837.16
Preliminary expenses, net, coarse grains	<u>2,092.01</u>
Total	478,872.36
Less earnings	<u>159,821.07</u>
	\$319,821.07

Capital stock and reserves on July 31 were given as \$1,760,380.

The association now has on file 69,000 contracts covering 9,331,700 acres of 1925 wheat, over 71 per cent of the total acreage. This is a notable increase in membership since February 26, 1925, when the figure stood at 51,507.

SUNLAND SALES SERVICE FOR SUN-MAID PRODUCTS

Sunland Sales Cooperative Association, Fresno, Calif., which is a sales agency serving various California fruit marketing organizations, reports the exporting of 17,223 tons of Sun-Maid raisins during July and August of 1925 as compared with 9,481 tons for the same period a year ago. It is reported by the management that the products of the Sun-Maid Raisin Growers of California are being marketed over the territory extending from Latvia and Finland to Siam and Sumatra and from Argentine to Alaska.

This service is rendered by what the management calls a "built-in" export department. With the exception of one special man the foreign business is handled in the Fresno office by the domestic sales organization. It is stated that this plan is "designed to capitalize not only the momentum of the existing domestic organization, but also to bring into export work the best brains of the enterprise in the most effective way. It is a means of decreasing sales expense and increasing efficiency."

Headquarters for the Far East are in Shanghai and Yokohama. Shipments to the latter port are distributed in Japan, Formosa and Korea. Shipments to Shanghai filter through to India and Siberia. South and Central America are covered by resident agents.

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ECONOMICAL PACKING RESULTS IN REFUND TO CITRUS GROWERS

Members of the Arizona Citrus Growers, Phoenix, are promised a refund of about 20 cents per hundred on last season's crop as a result of economical methods of packing the fruit. A charge of 90 cents was made for packing and the actual cost of the process was around 70 cents. In addition to this a small amount was deducted for a reserve and a small charge made for selling fruit locally. The rebate is expected to be between 20 cents and 22 cents per hundred. Practically \$150,000 worth of the fruit was sold locally, thereby utilizing a part of the time of the management and the operating force.

The first car of Clayson grapefruit of the 1925 crop was shipped on September 28 and 15 cars had been shipped by October 7, finding a ready market on the Pacific Coast. The first Clayson pool was for 15 days, the second pool is to run from the end of the first until the first Marsh Seedless is received, and subsequent pools to be planned later. The first Marsh Seedless pool is to run until the first of January, and later pools for 60 days each. Navel, Jaffa and Valencia oranges are grown and these are to be handled mostly in pools lasting 30 days. The first lemon pool is to run from the time the first lemons are received until December 1, the second pool until February 1, and all later receipts will be included in a third pool.

CALIFORNIA FRUIT GROWERS' EXCHANGE PUBLISHES ITS HISTORY

A highly attractive booklet of 106 pages has appeared recently entitled "The History of the California Fruit Growers' Exchange." The author is Miss Rahno Mabel McCurdy, Assistant Secretary of the organization, who was designated by the exchange to prepare its history. The author states that the work is the result of a systematic investigation covering twelve months, during which individuals were interviewed, letters were written, libraries visited, old newspapers scanned, and various records and documents of district exchanges and locals were searched, in addition to the material on file in the offices of the exchange.

The search revealed references to the cultivation of oranges in China in 1178 and in Europe early in the fifteenth century. It is conceded that oranges were first introduced into California by the Spanish padres who established the chain of twenty-one missions, all but three of which had gardens and orchards planted with oranges, figs, grapes, and olives. The first of these was the San Diego Mission, established in 1769, but the San Gabriel Mission is believed to have had the honor of establishing the first orchard of any size, planted probably in 1804 or 1805, and covering six acres.

Commercial growing of oranges was begun in 1841 where the city of Los Angeles now stands. In 1870 about 4,000 acres in the Riverside district were opened up and advertised in the East and colonists soon began to settle in that section and plant citrus groves.

When the groves came into bearing and the local markets could no longer absorb the surplus, many difficulties arose. The major part of the work is given to the subject of marketing the citrus crop. The story of the struggle of the growers against unbearable marketing conditions, step by step through the years, is told in some detail. Little groups here and there banded themselves together, under various forms of organization, and worked out their problems and fought against their enemies, gradually developing the solidarity of purpose which resulted in the present selling agency, the California Fruit Growers' Exchange which is generally considered an outstanding example of cooperative enterprise. High tribute is paid to some of the men who played leading parts in bringing the association to its present state of efficiency, and many personal recollections and incidents are introduced.

Besides its historical interest, added value is given to the work for reference purposes by the material included in the appendix. There may be found copies of contracts and agreements, by-laws, and articles of incorporation; also the names of all who have served the exchange as presidents and managers; the present officers, directors, department managers, and district managers; a list of the district exchanges and their managers. A table shows the shipments of citrus fruit each year since 1886, giving the total for the state and the total for the exchange, with the percentages and the f.o.b. returns.

The volume was prepared in the belief that the story of the struggles of the fruit growers to stabilize their industry would be helpful to other producers, as well as being an interesting bit of agricultural history.

GEORGIA MELON GROWERS CUT OVERHEAD EXPENSE

The Sowega Melon Growers' Association, Adel, Ga., according to its official organ, the Sowega Standard, recently decided through its executive committee to discontinue field work, to issue the Standard only once a month, to reduce the number of regular office employees to two clerks and to reduce the salary of the general manager by \$200 a month, with permission for him to devote a portion of his time to private business.

The Sowega association is the successor of the Southwest Georgia Watermelon Growers' Association which operated during the shipping seasons of 1921, 1922 and 1923. In October of 1923 the name of the organization was changed and a membership campaign conducted which resulted in an increased volume of business for the succeeding seasons. In 1923 the association handled 615 cars; in 1924, 3,584 cars, and in 1925, 1,827 cars (number included in latest detailed statement). The present membership of the association is reported as 2,100.

A detailed statement of the 1925 shipments is given in the Standard for October 15. This statement shows that the 1,827 cars of melons making up the 1925 business were forwarded from 117 different shipping points, 8 in Florida, 73 in South Georgia and 36 in Middle Georgia. The number of cars shipped from each section and the amounts paid the growers were as follows:

Region	Number of shipping points	Number of cars shipped	Amount paid growers	Average amount per car
Florida	8	141	\$25,167	\$178
South Georgia	73	1,237	222,105	178
Middle Georgia	36	449	70,622	157
Total	117	1,827	317,894	172

The average returns to growers on the total number of cars shipped was \$172. Growers from about 21 shipping points received returns which averaged over \$200 per car. The growers about Ty Ty, Ga., received average returns of \$295 for three cars and growers about Poulan, Ga., an average of \$252 for five cars.

The largest number of cars shipped from a single point was 125 from Boston, Ga. But one other point shipped more than 100 cars. From 42 points 5 or fewer cars were shipped.

According to the official statement the total cost of operation for the 1925 season was \$23.28 a car. The items making up the total are: loading and inspection, \$7.21; salaries in office and field, \$9.41; general expense including rent, freight, express, interest, insurance, postage, attorney fees, etc., \$5.67; supplies including car lining paper, labels, paste, etc., \$0.99.

In order to assist its growers as much as possible the management has been instrumental in the formation of the Sowega Fertilizer Corporation, a capital stock company with shares placed at \$10 each. Growers are required subscribe for one share of stock for each two tons of fertilizer ordered.

The Sowega Association grows melon seed for its members that high grade seed may be assured. It has 2,282 pounds of seed which will cost members 73 cents a pound.

FARMERS' ASSOCIATION LEASES LIVESTOCK YARDS AT COLUMBUS

A livestock concentration yard has been opened at Columbus, Ohio, by the Central Ohio Livestock Cooperative Association, an organization of Franklin County livestock producers. Yards covering over two acres have been leased and steps are now being taken to operate these so as to handle livestock received on consignment and to concentrate lots of livestock for shipment to terminal markets, for sale directly to packers through the Eastern States Company, a farmer-owned sales agency; and for sale to Columbus butchers.

The yards are arranged to permit of grading the livestock received so as to market it to the best advantage. The lease held by the farmers' association is for three years with privilege of purchase.

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NEW TYPE OF LIVESTOCK MARKETING ASSOCIATION IN CALIFORNIA

After carefully preparing for the work in hand the California Cattlemen's Association, San Francisco, began operating as a marketing association April 1 of this year. The organization which had been functioning for about eight years as a society to protect the interests of the cattlemen was incorporated for marketing in December of 1923. Its plan provides that while members shall have but one vote each, "the property rights and interests of all the members shall be proportional to the gross amount paid into the association by each." The marketing agreement makes the association the exclusive agent of its members in the sale of cattle, and the management of the association rests in a board of 25 directors.

The territory served by the association has been divided into districts, each of which is in charge of an association field representative. These field men keep the San Francisco office advised as to conditions in the producing area and assist the cattlemen in sorting cattle for sale and in grouping the various lots so as to conform to established grades.

While the association will announce prices based on supply and demand every producer will be privileged to name a minimum price below which he will not sell.

It is the function of the association to receive from packers and other buyers, orders which will be filled from member holdings, the field agents helping to locate the stock that will exactly meet the requirements of the buyer. The expenses of operation will be met by a deduction of 2 per cent of gross sales. Any balance remaining at the close of the year will be prorated to the shippers upon the basis of volume of sales for each member.

At the present time the association is functioning along marketing lines for cattlemen in California, Nevada, Oregon and Arizona.

OHIO ASSOCIATION FATTENS POULTRY FOR MARKET

Fattening poultry for market is a new enterprise with the Ohio Poultry Producers' Cooperative Association, Wauseon, Ohio. This work was begun on September 20, 1925, and the first week enough poultry for two car loads was brought in by the trucks engaged in collecting eggs. As soon as the poultry was in good condition for market one car load was sent to New York City and the other distributed in Cleveland, Toledo, Detroit, and Pittsburgh. The trucks are now covering 13 routes twice or three times a week, collecting eggs from 43 stations.

The first membership agreement of this association was signed May 3, 1924. To-day about 1,800 contracts are in force.

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WITHDRAWAL PRIVILEGE NO DETRIMENT TO POULTRY ASSOCIATION

Of the 307,000 hens under contract the past year to the Pacific Cooperative Poultry Producers, Portland, Oregon, the total number withdrawn from the association during the withdrawal period was 10,840. The reason given by the owners of more than half of the number withdrawn was that they had sold out or quit the poultry business. As new members owning 13,275 hens joined the association during the month there was a net gain of 2,435 hens.

This organization was started in 1920, articles of incorporation having been executed in Portland on May 28 of that year. A board meeting July 27 of the same year showed \$900 pledged in \$25 subscriptions by owners of 72,630 hens. Numerous changes have been made by the association since its organization in order to overcome the difficulties which have arisen from time to time.

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SPECIAL REFRIGERATOR CARS FOR WASHINGTON EGGS

Forty-three car loads of eggs were shipped to market during September by the Washington Cooperative Egg and Poultry Association, Seattle. The shipments were made from seven stations. A number of new and modern refrigerator cars have been secured recently for the exclusive use of the association. This is felt to be an important step in advance.

A comparative statement of sales for the first eight months of 1924 and 1925, gives the following figures:

	1924	1925
Egg department.....	\$2,313,402.33	\$3,652,976.34
Feed department.....	1,073,021.06	2,911,897.04
Poultry department.....	162,222.10	208,080.21
Egg meats department.....	36,062.53	49,629.58
Egg manufacturing department..	13,672.20	17,277.43
Total.....	\$3,598,380.31	\$6,839,860.60

OHIO'S PLAN OF FINANCING COOPERATIVES

The Ohio Farm Bureau Corporation, Columbus, Ohio, was incorporated on September 3 of 1925, for the purpose of offering financial and managerial services to the cooperatives in the state. It is planned that organizations of a similar type shall be set up in each county, and, according to a recent statement, such corporations have been organized in nine counties. The state corporation will put on the market agricultural shares and agricultural bonds. The proceeds resulting from the sale of these will be loaned to the county service companies and to state cooperative associations. The county organizations will advance money to local cooperative associations, taking the securities of the locals in return. A large portion of the stock of the county associations is to be held by the state association that there may be perfect coordination between state and county financing plans. It is the plan of the organizers that only the shares and bonds of the state association shall be offered to the general public.

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KANSAS AUDITING ASSOCIATION SERVES FARMERS' UNIONS

Thirty-nine new members have been added during the present year to the rolls of the Kansas Farmers' Union Auditing Association which was incorporated in January, 1918, for the purpose of establishing uniform systems of keeping records and accounts in the stores and elevators of the state, and making annual, semi-annual or quarterly audits for the benefit of both directors and stockholders. The membership is limited to Farmers' Union organizations but audits are also made for other organizations, usually at increased prices. In the present year nearly 500 audits have been made.

It is stated by the management that the staff of auditors is made up of men with wide experience in auditing work, particularly in the grain business in which they have specialized. All are under bond. They have rendered special service in the past two years in connection with income tax returns for a number of associations.

Another service rendered is in connection with bonding managers and other officers of organizations. For the past three years the auditing association has been handling this line of business for Farmers' Unions.

As many requests are received from associations looking for managers and from managers looking for employment, the auditing association has decided to open an employment agency through which such needs may be filled.

BETTER FINANCIAL STATEMENTS BEING ISSUED BY COOPERATIVES

An increasing number of cooperatives are coming to appreciate the moral value of issuing complete financial statements which have been prepared and vouched for by disinterested and responsible agencies. This is particularly true of some of the more recently organized and larger associations.

Some of the statements which have been sent out to members and to the general public during the last two years are admirably suited to serve their purpose, and leave little to be desired. They are complete without being too detailed; they show the source of all income and its disposition, and the financial standing. Moreover, they have been prepared by, and their accuracy attested by, one of the many firms of public accountants which make a profession of auditing the records and preparing statements showing the progress and financial position of other businesses.

This change, from the older order under which statements regarding the activities of the cooperative were prepared by the manager, and auditing of the accounts was done by a committee from the board of directors, to the infinitely more satisfactory practice of employing the services of disinterested experts, is a real step forward. No matter how honest and conscientious the manager or other employees, there is an almost irresistible temptation to have the statements show

results, and justify the policies in operation. The public accountant, largely responsible to the public for the maintenance of a high standard of professional integrity and not being directly concerned with the success or failure of the policies of the management, is in the best possible position to prepare unbiased statements of the facts as to the results of operation and the financial status.

It is encouraging to note some tendency toward the use of what might be called a standard terminology and somewhat less complicated methods of presenting statements. In many cases, new and original forms departing considerably from the established methods of private business, have contributed a great deal to a better understanding of the facts set forth.

Inasmuch as the membership of the particular cooperative itself and of other cooperatives shows the largest single group interested in these reports, this simplification of reports should be helpful in spreading the facts about their accomplishments. Indeed, there is some point to the suggestion that reports prepared in narrative form, with appropriate explanation of the meaning of the more important figures, might be another much needed step in advance. It is certain that only a limited number of people are at present able to understand even the most "improved" financial statement. And no possible step should be neglected which will increase the member's understanding of the activities of his organization.

A. V. Swarthout

COLORADO SUPREME COURT SUSTAINS MARKETING AGREEMENT

On October 19, 1925, the Supreme Court of Colorado in the case of the Rifle Potato Growers' Cooperative Association v. Smith, in a comprehensive opinion, uphold the constitutionality of the cooperative marketing act of Colorado of 1923 and the contract of the association formed under it. The association brought suit against Mr. Smith to enjoin him from disposing of his potatoes in violation of the contract entered into by him with the association. The association lost in the trial court and then appealed the case to the Supreme Court of the state.

His first defence is that the contract is unilateral, and so void or voidable or unenforceable. He is twice wrong; (1) because a unilateral contract is as good as any; a unilateral contract is an agreement supported by an executed consideration, 13 C. J., 249; (2) this contract is not unilateral but bilateral, a promise for a promise, *Id.* We think he means that there was no consideration; but the contract of the company to buy, resell, and, on certain conditions, give him something out of the proceeds, is a good consideration.

In discussing the relation of the members of the association to each other the court, among other things said:

The mutuality is between the several members and the contract is for their benefit.... Every member is subject to the same remedy in favor of all the others and without some such remedy the contract would be ineffectual.

Mr. Smith further claimed that the marketing contract was against public policy and was, therefore, void. The court answered this contention by saying that although in earlier cases it had held that similar contracts were against public policy, the cooperative act of 1923 "changes the public policy of this state and the contract in this case follows the act. It is unnecessary to cite authority for the power of the legislature over questions of public policy."

The court further stated with reference to the contention concerning the public policy:

It hardly needs to be said that the act is not unconstitutional because it changes the rule of public policy; that would be to set public policy upon the throne of the constitution, and

though it is urged with great seriousness and earnestness that the provision for an injunction is unconstitutional, or, at least, unenforceable, because it permits an injunction where there is no equity,- yet that argument, upon examination, has no more force in it than the one concerning public policy, because the legislature has as complete power over the rules of equity as it has over those of law. So of the provision for specific performance; it is a rule of equity that specific performance will not be granted in favor of one party unless it could have been granted in favor of the other. But that is a rule made by the courts which the legislature has a right to change; and, moreover, as we have shown above, there is mutuality in this contract since it is a contract among the members and injunction and specific performance are to be enforced against any member who violates it in favor of all those who do not.

In answer to the argument that the contract of the association was in restraint of trade, the court said:

It is objected that the contract is in restraint of trade and so void under the Colorado Anti-Trust Law, C. L. 1921, secs. 4030-4044, but the Act of 1923, being the later act, controls the earlier.

The defendant also claimed that the cooperative marketing act was unconstitutional because it was class legislation. In this connection the court said:

We think that, unless the classification clearly appears to be unreasonable, we must yield to the judgment of the legislature upon that point, and we think it not clearly unreasonable to say that there are reasons for maintaining stability of the markets of agricultural products beyond like reasons in case of other products, and that we must, therefore, acquiesce in this classification. The legislature in such classifications must have a wide range of discretion.

L. S. Hilbert

PEANUTS BEING DELIVERED IN GEORGIA

Delivery of 1925 peanuts to the Georgia Peanut Growers' Cooperative Association, Albany, Ga., began on September 7, one day earlier than last year. An initial advance of \$50 per ton for No. 1 peanuts has been agreed upon, with \$40 for No. 2, and \$30 for No. 3. A new production and sales manager has assumed the duties of the position left vacant by the resignation of the former manager who had been with the association since it first started.

As a portion of the 1924 crop is still unsold, it is not possible yet to set a date for the final settlement for that crop.

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EVOLUTIONARY ACTION BY DARK TOBACCO ASSOCIATION

Members of the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., may sell their 1925 tobacco outside the association if they prefer to do so, according to a resolution adopted October 13 by the board of directors. This action was taken after very careful consideration of the entire subject. Members are urged to abide by their contracts and deliver their crops to the association but are assured that no legal action will be taken against them if they choose to sell elsewhere. The association has cut its working force but plans to keep help enough to handle all the tobacco delivered to it. The waiver of the penalty clause is for the 1925 crop season only.

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NORTH DAKOTA SEED ASSOCIATION REPORTS

The Grimm Alfalfa Association, Agricultural College, North Dakota, closed its last business year with a surplus of \$11,347, according to a statement furnished by the management. Total earnings for the period extending from June 13, 1924, to July 31, 1925, were \$8,115 including \$2,665 gross profit on sales and \$5,415 for cleaning and scarifying. Expenses of \$6,362 and other deductions reduced the amount carried to surplus for the year to \$171.

The 1925 alfalfa pool included 26,845 pounds of seed which was sold for \$11,238. Growers received over 13 cents a pound for the No. 2 seed, over 24 cents for the No. 1 and over 40 cents for the fancy grade.

The sweet clover pool included 151,409 pounds of seed which sold for \$15,195. Growers received over 3 cents a pound for their No. 3 seed, over 4 cents for their No. 2 and over 9 cents for their No. 1.

The Grimm Alfalfa Association is a non-profit organization of 400 growers. It is organized as a stock company, shares to the value of about \$1,000 having been issued. Its assets include real estate, equipment and furniture amounting to over \$2,000.

ONTARIO BEEKIST HONEY SOLD COOPERATIVELY

About 85 per cent of the honey produced in the Province of Ontario is under contract to the Ontario Honey Producers Cooperative, Limited, Toronto. Of the normal yield of 20,000,000 pounds the association expects to participate in the marketing of 8,000,000 pounds this season, at an expense of approximately one cent per pound.

Chartered in April, 1923, with 58 members, the association has now grown to 1,000 members, and much has been done to stabilize the markets and develop new markets. About one-quarter of the product is sold locally by the beekeepers themselves and this is a feature which the management hopes to develop even further, as large local sales help to relieve the congestion in wholesale markets. Each producer reports his sales to the head office and is charged the proper proportion of the overhead expense which should be carried by these sales. It is stated that the members have made prompt returns of their sales.

Another unusual feature is that the producers do their own grading. Each member is supplied with a "honey color grader," a set of three vials of colored material, and two empty vials into which the honey to be graded is poured for comparison with the standards. Three grades are made, "light," "amber" and "dark." The company's official brand is "Beekist." Different colored pails are used in marketing the first and second grades. Names of producers do not appear on the association's packages. Complaints are traced back through registration numbers. A well equipped bottling plant at Dunnville takes care of about five car loads of honey each year. The honey is handled in a yearly pool and each producer receives the average price for the grade produced.

A system of assembling honey in carlots has been worked out and any point where there are enough producers to assemble a car load of 24,000 pounds is designated as a shipping point. The company now has 95 such shipping points throughout the province. By routing the cars in the most direct way from these points a considerable saving in freight charges and other expenses is effected each year.

When the association organized it found about 1,500,000 pounds of 1922 honey in the hands of the producers and "the industry was on the verge of a breakdown." Standardizing the product proved a great help toward stabilizing the market, then new markets were sought in America and Europe. The general manager visited several European countries in 1923 and came back with orders for 13 car loads. Since then shipments have been made regularly to Great Britain, Holland, Germany, Denmark and Sweden. About 1,000,000 pounds of honey was exported last year and it is expected that there will be several million pounds to be exported this season.

Through cooperative purchasing of containers the company is able to save a considerable sum for its members.

Each member subscribes for one share of stock at \$25. Half of this is paid up and the other half held on call. It is felt by the management that if more of the stock was paid up it would enable the company to close its pools earlier and make quicker returns to the members. The membership contract runs for three years.

MUTUAL HAIL INSURANCE IN SASKATCHEWAN

The 934 Saskatchewan farmers holding policies in the Additional Hail, Limited, a subsidiary of the Saskatchewan Municipal Hail Insurance Association, received a patronage dividend of \$6,300 at the close of the 1925 season, according to a recent report. Premiums were collected to the amount of \$68,178. Seventy-one losses were paid during the season and a reserve fund of \$20,000 was created.

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MANITOBA GOVERNMENT INTERESTED IN COOPERATION

A new cooperative act was passed by the provincial legislature of Manitoba in 1925. This act provides a legal basis for the type of co-operative association which has been entering the field of late, whereas the former act was drafted for consumer cooperatives.

One of the features of the new law is the creation of the office of Registrar of Cooperative Associations. An advisory council on co-operative marketing has been formed which includes representatives of the large cooperatives in the province and representatives of the public. According to the Registrar, "Manitoba is attempting to 'pool her brains' for the solution of her marketing problems."

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COOPERATIVE SUCCESS AND FAILURE IN ONTARIO

"Cooperative Marketing in Ontario," is the title of an article by Professor R. D. Colquhette, Department of Economics, Ontario Agricultural College, in the Scoop Shovel for October 21, 1925. A number of the larger active organizations are described, including the Ontario Cooperative Honey Producers; the Ontario Turnip Growers Cooperative; United Dairymen Cooperative; Canadian Cooperative Wool Growers, Toronto; and the United Farmers Cooperative Company, an enterprise engaged in the wholesale distribution of farm requisites.

Mention is also made of some associations not now active, as follows:

The Niagara Peninsula Growers, at one time the most promising cooperative in the province, went into an early decline and last spring staggered out behind the barn, laid down in the warm sun and died.

In 1924 the bean growers of Kent, Elgin and Huron counties formed an association, signed up 85 per cent of the crop and then departed without handling a bean.

In 1922-23, a tremendous effort was made to federate the cheese factories in a pooling organization. The estimates of the time required were too short; plans were made for continuing the effort another year, but just then the political pot began to boil, an election was held, and in the turmoil the cheese pool died so peacefully that nobody seemed to notice its passage.

PROFESSOR FAY ON COOPERATION IN WESTERN CANADA

"Agricultural cooperation in the Canadian West" by C. R. Fay, professor of Economic History, University of Toronto, Canada, has appeared in pamphlet form. This is a reprint of thirty pages of the 1925 edition of "Cooperation at Home and Abroad" by Professor Fay. Two subjects are discussed in the pamphlet, the cooperative foundations in the provinces of Manitoba, Alberta, Saskatchewan and British Columbia and the "Pool Era, 1923 Onwards."

Some of the conclusions reached by Professor Fay are of more than passing interest. Among these conclusions are the following:

As a matter of history, the pool is old-fashioned cooperation, after the model of Denmark, the mother-country of agricultural cooperation

There are risks enough from hail and drought, from tariff changes and embargoes, why add to these a fever of market changes, which only smooth themselves out over periods so long that before the cycle is completed, the individual farmer is down and out..... The membership drive is necessary because the country is so vast....

While egg circles, poultry circles, cooperative creameries, livestock shipping associations have existed in many districts for some years, they are being galvanized to-day into new life in the pool dress

It is clear that the wheat pool movement in the Canadian West is based on strong cooperative precedent and, that it has reached its present form by an intelligible historical evolution. For good or for evil, for success or for failure, it is no mushroom of the night ...

The principle of the pool being accepted, it is necessary to indicate the dangers against which its supporters should be forearmed.

First, extravagant expectations of the extent to which the basic price of wheat can be stabilized at a more remunerative level. Second, disloyalty and faint-heartedness. Third, lack of coordination in cooperative effort

Of all poolers the pool-woman is the most loyal. In Alberta, the egg and poultry pool was first demanded by the United Farm Women of Alberta. The women both here and elsewhere are conducting the drive for the sign-up to the pool.... there are still moments at meetings of Canadian agriculturists when one feels that cooperation is a veneer. When the women are in the room the apprehension vanishes; for they realize, as Sir Horace Plunkett, the father of agricultural cooperation among English speaking peoples, has always insisted, that the benefit of cooperation goes back from better business in the cooperative society to better farming by the man in the fields and better living for the family in the home.

NEW PAMPHLET DEALING WITH COOPERATION

"Cooperation in the United States," is the title of a recently issued pamphlet of 126 pages published by the Grain Dealers National Association of Toledo. The material is presented in the form of argument and evidence. There are three main divisions as follows: (1) History of American Cooperation, (2) Advantages of Cooperation, (3) Disadvantages of Cooperation.

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MUTUAL INSURANCE THRIVES IN NEBRASKA

More insurance has been written this year by the Farmers' Union Insurance Company of Nebraska than in any year since it was organized in 1918. On January 1 of the present year the amount of insurance in force was \$21,997,027. On August 31 the total amount was \$26,160,124, an increase of \$4,163,137 in the eight months, compared with an increase of \$3,231,307 for the entire year 1924. Larger membership in the Farmers' Union is a contributing factor to the rapid growth of the insurance business.

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CONSTRUCTIVE SUGGESTIONS WILL BE WELCOMED

The issue of Agricultural Cooperation to go out under date of December 21 will be the last for the year 1925. It will complete Vol. III; it will be the 20th number issued.

Copies of the circular are sent regularly to many different parts of the world, including New Zealand, India, China, Japan, Siberia, Russia, Finland, Norway, Denmark, Germany, Switzerland, Austria, Italy, Palestine, South Africa, Mexico and Canada. Roughly classified the readers fall into four groups, ranking according to the size of the group about as follows: (1) Persons directly interested in the organization and operation of associations including members of boards of directors, officers of associations, heads of departments, attorneys and bankers; (2) persons interested in cooperation from the educational point of view, economists, including research workers, instructors, graduate students, extension workers and county agricultural agents; (3) publishers, editors, authors and special writers; and (4) persons in public life including members of Congress, members of state legislatures, court officials, etc.

Consideration is now being given to plans for 1926, and suggestions relative to the character of material that will be of the most value to the readers of the circular will be appreciated, as will suggestions regarding methods of treatment. The purpose of the circular is to be helpful to those interested in the practical application of cooperative principles to agricultural problems, hence constructive suggestions from such persons will be particularly valuable.

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